



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
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February 9, 1998

Robert A. Prescott
Summo USA Corporation
P.O. Box 847
Moab, Utah 84532

Re: Executed Copies of Reclamation Surety and Reclamation Contract, Summo USA Corporation and Lisbon Valley Mining Company, LLC (Summo), Lisbon Valley Copper Project, M/037/088 (UTU-72499), San Juan County, Utah

Dear Mr. Prescott:

On December 10, 1997, the Board of Oil, Gas and Mining conditionally approved the form and amount of reclamation surety for Summo's Lisbon Valley Copper Project. The approved reclamation surety in the amount of \$2,689,000 represents 30% of the total surety for the life of the project. This surety is in the form of a joint agency surety bond (#~~1000000000~~) issued by United States Fidelity and Guaranty Company. The surety jointly lists the Division, BLM and Institutional Trust Lands. The Division granted final approval of this project in the January 8, 1998 letter after Summo had satisfied the terms of the Board's conditional approval. Signed copies of the Reclamation Contract and Surety Bond forms were not available at that time. Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files.

The approved reclamation surety is posted to cover the surface disturbances created during the first three years of project operation, or 395 acres of surface disturbance, whichever comes first. Summo is required to increase this surety and receive the appropriate state and federal approvals prior to exceeding this amount of surface disturbance, or extending beyond the escalation year (2000).

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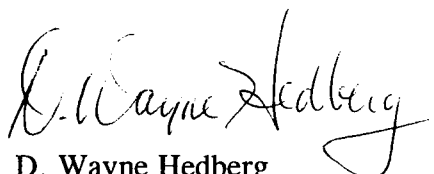
Robert A. Prescott

M/037/088

February 9, 1998

Thank you for your assistance and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg

Permit Supervisor

Minerals Regulatory Program

jb

Enclosures: signed MR-RC & surety bond

cc: Pat Gochmour, Gochmour & Associates

Opie Abeyta, BLM State Office w/encl

Lynn Jackson, BLM Moab Field Office (UTU-72499) w/encl

Ted McDougal, BLM, San Juan RA (UTU-72499) w/encl

Will Stokes, SITLA w/encl

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